

# PROPOSAL EVALUATION

## Proposition 50, Chapter 8

### Integrated Regional Water Management Grant Program

### Implementation Step 2 Proposals

**PIN:** 10021  
**Applicant Name:** Pajaro Valley Water Management Agency  
**Project Title:** Pajaro River Watershed IRWMP Implementation Projects

**Funds Requested:** \$ 25,000,000  
**Total Project Cost:** \$ 117,903,271

<b>Total Proposal Score:</b> 117
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**Description:** The Pajaro River Watershed IRWMP Implementation Program consists of eight projects that provide water supply, flood protection, and water quality and environmental enhancement. This IRWMP was developed through the efforts of a three-agency collaborative of the Pajaro Valley Water Management Agency (PVWMA), San Benito County Water District, and Santa Clara Valley Water District, and many watershed stakeholders.

**Question: Adopted IRWMP and Proof of Formal Adoption**

2

The Draft IRWMP is scheduled to be adopted in November 2006 by the three agencies/districts.

**Question: Description of Region**

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The IRWMP includes maps showing the region, which is well described. Water resources of the region are described including quantity and quality. Existing and projected water demand is described for the period from 2005 to 2025, a 20 year planning horizon. Ecological processes/environmental resources, social, cultural and economic conditions are discussed in the IRWMP.

**Question: Objectives**

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Four major goals are developed in the areas of water supply, water quality, flood protection, and environmental enhancement. Under each goal are several specific objectives with some objectives meeting multiple goals. Potential conflicts between some of the objectives were identified and will be addressed in later planning and implementation activities. Potential conflicts with other regional non-IRWMP objectives (e.g., land use planning) are also identified.

**Question: Water Management Strategies and Integration**

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A full range of water management strategies and potential projects are identified and evaluated according to the IRWMP goals and objectives. Appropriate strategies/projects are linked to the specific objectives and integrated with the other strategies/projects under each objective. Projects and strategies deemed suitable for rapid implementation are grouped into three water management programs: water supply, flood protection, and water quality.

**Question: Priorities and Schedule**

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The IRWMP includes a new subsection on its adaptive management process which fully addresses the void in the Step 1 submittal. The IRWMP identifies short-term and long-term projects and priorities using a three step process to rank project elements. A consensus based approach by the stakeholder committee is used in decision making. The IRWMP describes an adaptive management process which may re-prioritize projects and objectives in response to success of project implementation and changing regional needs.

**Question: Implementation**

4

Several specific immediate-term projects are described, responsible entities are identified, and the integration of the programs are discussed in the IRWMP. The final IRWMP will identify and prioritize short-term and long-term projects. Economic and technical feasibility are discussed on a programmatic level. Long-term projects are not fully described at this time.

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#### ***Question: Impacts and Regional Benefits***

4

The IRWMP addresses impacts and regional benefits of the IRWMP related to the proposed projects, and links impacts and regional benefits to the mission, goals, and objectives of the IRWMP. CEQA and NEPA compliance has been completed or in process for projects that are ready for implementation. Impacts and benefits of longer-term projects and programs are not well evaluated. Benefits to DACs of short-term and long-term implementation projects will be explored in the next phase of the IRWMP.

#### ***Question: Technical Analysis and Plan Performance***

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The revised IRWMP has added information on data collection, monitoring, and project performance evaluations that will be used to adapt projects to changing conditions. IRWMP states that an Adaptive Management Manual will be prepared and this is reflected in the submitted workplan.

#### ***Question: Data Management***

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Data will be provided to the stakeholders and the public in three main ways: 1) the Action Pajaro Valley stakeholder process, 2) regular public meetings of the participating agencies, and 3) through the CEQA/NEPA process for implementation projects. The IRWMP team will also maintain a public website to disseminate data and other IRWMP information. Data will be managed in a format compatible with SWAMP and GAMA and also will be provided to those databases at least annually. Existing monitoring efforts are described in the regional description section of the IRWMP.

#### ***Question: Financing***

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Financing plans include a variety of mechanisms, such as sale of municipal bonds, grant funding from State and federal agencies, low interest loans, land assessments, water rates, and other sources. Beneficiaries are identified for the various proposed projects. Parties responsible for project implementation and project O&M costs are identified. Financing for O&M costs for various projects will be collected through increased user fees and rates. Ongoing support for costs associated with the Soap Lake project will be collected through annual member contributions.

#### ***Question: Relation to Local Planning & Sustainability***

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The IRWMP emphasizes the stakeholder process as the mechanism for coordinating with local planning and management efforts, and integrates elements from the region's General Plans into the IRWMP, along with the applicable UWMPs, GWMPs, and other planning documents.

#### ***Question: Stakeholder Involvement & Coordination***

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Stakeholder involvement in IRWMP development is well documented. Processes and mechanisms for stakeholder participation in the IRWMP are described (e.g., the Stakeholder Steering Committee). Stakeholder outreach is planned to continue through finalization and implementation of the IRWMP. Major involvement of a DAC (Watsonville) in the IRWMP process is documented. Specific EJ concerns, such as employment and water rates, were brought into the IRWMP development process. Potential obstacles to the IRWMP were identified and will be resolved using a consensus approach. The jurisdictions and interests of the relevant State and federal agencies in implementing the IRWMP are identified, as are the needed regulatory actions.

<b>Weighted IRWMP Total Score: 28</b>
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***Question: Work Plan***

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The work plan adequately describes the projects for which funding is requested, including project scopes, status, and the synergies among projects. Work items for most projects are of adequate detail so that it is clear the projects can be implemented. Permits and the status of environmental compliance are well documented for each project. The description of Project 5 is limited on the points of development, future use, and applicability to other projects. Project 6 is Phase 1 of the larger Levee Reconstruction Project (LRP). Project 6 includes public outreach to establish a benefit assessment district with a ballot vote in November 2008. It appears that successful implementation of Phase 2 of the LRP (not funded by this grant) would be contingent on this vote. Construction of Phase 1 LRP occurs mostly between July 2008 and January 2009 and is not dependent on this vote. The Soap Lake Project uses some of these Prop 50 grant funds to acquire conservation land and easements.

***Question: Budget***

4

The majority of projects in the proposal have detailed cost information which is supported with documentation. The LRP Task A.2 has costs which are not supported in enough detail to determine the validity of the budget. The Coastal Distribution System (CDS) budget contains an additional state funding amount from Prop 13. The Prop 13 budget and the Prop 50 budget for this project disagree by approximately \$12 million which is not fully addressed in the application.

***Question: Funding Match***

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The funding match is 61.1% of the total proposal costs.

***Question: Schedule***

5

The multiple proposal elements appear ready to implement/construct by December 1, 2007. The schedule is reasonable, supported by work item descriptions, and has an appropriate level of detail. The application includes a brief discussion of project scheduling, the interdependency of tasks, and any gaps within the schedule.

***Question: Scientific and Technical Merit***

15

Sufficient technical studies and documents are provided to support project feasibility. Data gaps for each project are identified and discussed. Project 5 in the proposal fills in some data gaps for Project 7.

***Question: Monitoring, Assessment and Performance Measures***

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The applicant has presented an adequate monitoring and assessment program including performance measures that will allow a determination of whether the objectives are met. The planned metrics do support the proposal in meeting the goals and measurable outcomes that track output. The applicant provided a single set of performance measures to cover both the Watsonville Recycled Water Treatment Facility (Project 1) and the Coastal Distribution System (CDS) (Project 2), since these two projects are interrelated.

***Question: Economic Analysis***

9

Overall assessment of benefits relative to costs is average. Two projects account for most costs and claimed benefits: i.e., produce recycled water and distribute surface and recycled water for irrigation to reduce seawater intrusion. Cost calculations are adequate. Applicant assumes the CDS is in place for no-project baseline, and would distribute either all CVP water (baseline) or part CVP and part recycled (proposed). Questionable that part of the CDS is also assumed for the baseline: main difference is mix of water sources. Recycled water produced at about \$820/AFY to replace CVP water at about \$739/AFY. The applicant shows avoided crop loss as a large benefit, but the baseline has the agricultural land receiving CVP water; these benefits are double-counted. The fertilizer value of recycled water is questionable. Flood control and habitat projects are also included. The flood control monetized benefits should be presented as Other Expect Benefits.

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***Question: Other Expected Benefits***

**8**

Other expected benefits include those related to agriculture, recreation and public access, habitat restoration, open-space preservation, fisheries enhancement, and flood control. Many benefits are qualitative, and are discussed with adequate detail. The magnitude and probability of occurrence of the other benefits are at least average. The quantified benefit to agriculture due to lower need of fertilizer is not fully supported with regional data.

***Question: Program Preferences***

**5**

The applicant has demonstrated that the proposed projects are significant and well defined and will meet multiple program preferences with a satisfactory degree of certainty. The applicant describes in detail each program preference, integrates the proposed projects within that preference, and provides some discussion of the synergies between each project and the related program preferences. The proposed projects meet, at least minimally, all Program Preferences. The proposed projects are primarily water supply projects. However, the projects may result in some measurable improvements in meeting water quality standards and reduced water quality impairments.

***Question: Statewide Priorities***

**18**

The application indicates that the proposed projects meet, to varying degrees, all eight Statewide Priorities. Three Statewide Priorities are discussed in detail and there is a high level of certainty that they will be met. Most of the other claimed priorities are discussed in less detail and have a reasonable certainty of being achieved. Meeting Delta Water Quality Objectives was loosely tied to this region through reduced use of CVP water. Meeting this Statewide Priority is not presented with a high degree of certainty. Breadth and magnitude of statewide priorities are not fully discussed.

<b>Total Proposal Score:</b>	<b>117</b>
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